

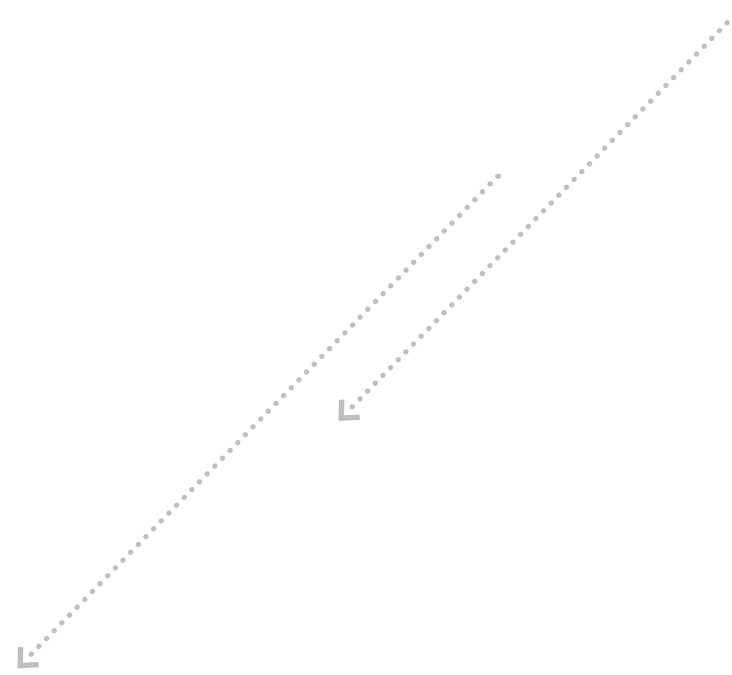
Deloitte.

Open Innovation in RegTech

**Methodology and use cases of successful
startup - corporate collaboration in
a highly regulated environment**







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Open Innovation for Corporate Compliance

In recent years, the complexity of procedures and controls required by corporate compliance¹, has grown enormously, inevitably resulting in complex processes. As a result, the sector has been pushed towards a gradual transformation from which the need for innovative solutions has arisen. Those are known as **“RegTech” (Regulatory Technology)** and can be defined as emerging technology-based solutions that bring clarity and

efficiency to the way in which regulation is interpreted, how compliance is managed and how reporting is automated. These solutions typically apply cutting-edge technologies and methodologies such as Analytics, Machine Learning and Artificial Intelligence (AI) to solve a variety of issues.

While RegTech is still a recent phenomenon, the global RegTech market size is expected to grow from USD 7.6 billion in 2021 to USD 19.5 billion by 2026².

¹ Corporate compliance refers to the compliance of all corporate activities with procedures, regulations, laws and codes of conduct, the main function of which is to protect the company by continuously adapting the business to the various regulations that govern the sector in which it operates.

² [RegTech Market worth \\$19.5 billion by 2026 - Exclusive Report by MarketsandMarkets™ - Bloomberg](#)

RegTech solutions are very diverse and either tackle specific regulatory issues or compliance as a whole.

Examples are:

- **The automation, in part or in full, of customer verification activities** (*Know Your Customer, KYC*) where financial institutions currently spend an average of \$60m a year on KYC procedures³.
- **The prevention and counteraction of money laundering** (*Anti Money Laundering*), which remains a very manual process that RegTech solutions tackle with digital and data-driven features, yielding a significant reduction in workload and better allocation of resources (financial institutions spent approximately \$214 billion in 2020 to meet legal obligations for combating financial crimes, up 18% from 2019)⁴.

- **The speeding up of certain procedures** which reflect on the **satisfaction of the end customer** (e.g. faster and simpler *onboarding*), enhancing KYC processes with automated solutions can reduce onboarding time up to 70%⁵. (*Generally, for swift procedures, the average duration to onboard a customer is 26 days. Over 73% of financial institutions reported losing customers because of friction in the onboarding process*)⁶.
- **The ability to provide instant answers** to regulatory questions when and where they are needed – fully integrated into financial institutions' existing infrastructure (embedded compliance).

Although RegTechs are primarily associated to the banking and insurance world, their application is not exclusive to the financial sector. Indeed, although in a

different way, RegTech solutions are applied to common problems for most highly regulated industries with complex corporate compliance processes. Among these, the pharmaceutical industry has faced compliance-related violation penalties of \$87bn⁷ since the year 2000, while the transportation industry faces more than \$24m in compliance costs per year⁸. RegTech solutions can minimize and prevent these costs by automating compliance management, regulatory reporting and risk management⁹. In the era of Open Innovation, an active dialogue involving different realities and leveraging on cross-industry collaborations is beneficial for firms, for the ecosystem and for the economy at large, as idea contamination is key to evolve established – but not necessarily efficient – practices.



³ KYC Utility: The blockchain solution of the future - [link](#)

⁴ Hannah Lang, "Pandemic drove up costs of complying with anti-fraud rules: Report" - [link](#)

⁵ "Financial Institutions need to stay competitive and meet complex compliance and regulatory standards are well known. Can RegTech help them to onboard customers with speed and efficiency?" - [link](#)

⁶ Ian Henderson, "Five Misconceptions About KYC Compliance" - [link](#)

⁷ Violation Tracker Industry Summary Page - [link](#)

⁸ "The true cost of compliance with data protection regulations" - [link](#)

⁹ J.A. DiMasi. et. al., "Innovation in the pharmaceutical industry: New estimates of R&D costs.," *Journal of Health Economics*, May 2016



What is Open Innovation and how does it intersect in the mechanisms of Corporate Compliance?

Open Innovation is a concept - or rather a paradigm as the person who identified and coined the approach prefers to define it (Prof. H. Chesbrough, *Open Innovation: The New Imperative*, 2003) - whereby a company uses knowledge inputs and outputs to accelerate the innovation process by leveraging ideas, paths, and technologies from inside and outside the organization. Making advantage of this

method, companies are more inclined to recognize new opportunities, to develop adaptive skills that are essential to be able to respond to the challenges dictated by a changing world and to be always competitive by expanding their horizons.

To do this it is necessary to experiment and, above all, not to be focused only on *core activities*: we live in an era characterized by volatility and uncertainty and remaining anchored to a single traditional approach, in the long run, leads to a predominant logic of conservative organizational models. The best way to experiment is to create connections and exchanges with startups, SMEs, Universities, Research Centers, Tech and

Innovation Communities and also Peers or companies belonging to different sectors willing to undertake joint innovative paths in a supply chain logic.

That is, drawing on an influx of externally derived knowledge to create value internally and initiate paths to growth and development.

As mentioned earlier, adopting an *Open Innovation* approach involves both external and internal exchanges, such as implementing *intrapreneurship* systems that allow employees to develop and express innovative and entrepreneurial ideas by breaking out of fixed patterns and traditional dynamics; it also involves

training people on new methodologies, dedicating, within the company, interactive spaces specific for innovation and stimulating people to propose innovative ideas, even though real "challenges" or internal competitions in which multidisciplinary and cross-functional teams collaborate to propose new projects. All these initiatives allow the proliferation of ideas and solutions "out-of-the-box" but above all they help to create a culture of innovation, essential to broaden mindsets and create dynamic and transversal company profiles.

It is therefore essential to connect the company to innovation ecosystems, which are increasingly large and growing, consisting of many players and partners from different fields and sectors, where not only the process of technology transfer and know-how between research and the market can take place - making companies talk to startups, investors, universities and research centers of a specific sector

- but also *Open Collaboration* between different sectors can be enabled (e.g. telco, healthcare, automotive, technology, ...).

A prerequisite for creating and expanding innovation ecosystems is to build new connections and enhance relationships within networks by leveraging on successful collaborations.

A recent assessment conducted by Deloitte have explored the level of digitalization of the Compliance department of some leading companies in the most regulated industries with a high level of compliance management, such as: Telco, Pharma, Energy, Banking, and Insurance.





The assessment, built on Deloitte's proprietary methodologies, has been structured to analyze the critical and determining factors of the digitalization level in such a delicate area as Compliance. The main topic under analysis were strategy, human capital, tools and technologies, and best practices.

Thanks to this assessment, it was possible to build four different profiles, which give an indication of the level of maturity reached by the companies analyzed, in terms of digitization of compliance.

The assessment revealed how:

1. The best in class, in addition to successfully implementing a Compliance digitization strategy, invest in training programs (workshops, conferences, courses) for staff on topics related to innovation and digitization and implement strategies aimed at attracting STEM and ICT profiles and/or digitally skilled figures.
2. Specialists and best-in-class companies invest in data governance tools to ensure effective and efficient use of information.
3. In the short term, all players expect to define a strategy for the digitization of the Compliance area and/or improve the current one.



<p>LEVEL 1 Inexperienced</p>		<p>The Player has traditional management of information and processes; in general, it is not looking for solutions to approach digitalization in the Compliance world.</p>
<p>LEVEL 2 Beginner</p>		<p>The Player shows that it has taken its first steps into the Digital Compliance era; it seeks to introduce digital tools to improve performance and be more competitive in the marketplace.</p>
<p>LEVEL 3 Specialist</p>		<p>The Player moves with autonomy in the Digital Compliance universe and has demonstrated a significant commitment in digitization and new trends.</p>
<p>LEVEL 4 Expert</p>		<p>The Player successfully delivers an advanced digital strategy for Compliance.</p>

2

The 5 key steps to implement an Open Innovation approach

Certainly, there is no manual or mathematical rules to follow, but there are guidelines. And Deloitte by virtue of our collaborations with numerous companies, startups and players in the innovation ecosystem, together with experience and a position of privileged observer in the field, Deloitte has identified five key steps to adopt a concrete approach to Open Innovation.

1 | Define strategic priorities and guiding objectives

Since this is not only a path, but a real change of mindset of the company, it is essential as a first step to **clarify their strategic priorities and define the guiding objectives.**

This decision allows to better define how to set up collaborations in view of *Open Innovation* and, above all, helps to identify the correct innovative interlocutor. Moreover, it is important that these objectives are feasible and flexible because when you collaborate with different realities you have to deal with *mindsets* and ways of working that are often completely different.

2 | Open to the outside world

Once its strategic priorities have been clarified, the company can begin to build its own ecosystem of reference. The ecosystem is the set of companies, universities, startups, associations with which it is advantageous to build relationships or partnerships to obtain and exchange functional elements to the path of innovation.

For example:

- **Tech & Innovation communities** that allow you to acquire new technological skills and discover new trends.
- **Universities and Research Centers**, through which to acquire new skills, cooperate in the implementation of training programs and also obtain technical support throughout the innovation process
- **Startups** with which to integrate potential innovation project solutions.
- **Peers and Competitors** from which to learn and with which - in some cases - it is useful to cooperate within the sector in a logic of Open Innovation.

Actors in the ecosystem also vary depending on **the role each plays in the innovation lifecycle**.

On the one hand, communities and universities are useful for an initial approach to innovation, when the need is to discover the trends and cutting-edge technologies for a given field. For the validation and consolidation phase, on the other hand, it is useful to approach accelerators or startups in the marketplace with which to validate the effectiveness of a solution. Finally, when it comes to scaling a solution, the best is to reach investment funds or established scaleups in the marketplace.

In general, openness to the outside world is often a stimulus for the birth or growth of a **culture of innovation**, a fundamental element for stimulating the rise of new ideas within the company as well.

3 | Initiate solution scouting

Another key point for the Open Innovation approach is the activation of a **scouting** phase, in order to concretely identify new opportunities in which to invest.

To do so, it is essential to apply a structured method comprising researching, analyzing, and selecting solutions based on technologies and trends in line with the strategic objectives and business needs. In fact, a fundamental prerequisite is to have a clear understanding of the difficulties



that the company often encounters, to avoid identifying a solution that does not necessarily correspond to the problem or that can be solved better with a different solution. To do this, before starting the scouting process, it is important to always define **clear research criteria** so that the analysis and selection can result in a mapping of the best solutions that are consistent with the objectives established upstream. The key criteria should clarify, for example, the type of problem to be solved, the maturity stage of the solution sought, as well as the scope and type of technology. This will provide a picture of possible innovation scenarios and prioritize the different solutions identified.

4 | Launch a pilot project

The best way to understand **the added value that collaboration can bring to your firm is to develop a pilot project**. By defining precise KPIs and constant monitoring activities, it is possible to obtain an iterative cycle of rapid results that allow the necessary corrective actions to be taken in time.

As far as results are concerned, it is good to keep in mind that the logic in which we work is that of *trial and error*, therefore, the strategy is to be open to failures and accept errors. In this regard, it is important to clarify that errors and failures refer to the series of actions generated by uncertainty, unpredictability and the initial risk that is assumed when a novelty is introduced and a path outside the pre-set canons is started.

The **culture of failure**, which belongs to the organizational sub-layer of the major innovative companies, generates and supports virtuous behaviors such as the generation of innovative ideas, the resourcefulness to experiment and the curiosity towards methodologies never used before. It can be summarized as the lever that fosters proactivity and participation in innovative processes.

5 | Scale the solution

Finally, after starting the experimentation and testing the solution in the most congenial way to the company, it is desirable to define a gradual **roll-out** plan to implement it throughout the organization. It is also important to make sure that the solution becomes an integral part of the processes and enhances all the innovative path made up to this point.

Open innovation can help to have a faster access to new technologies by evaluating in advance the potential of different solutions, it can help to solve problems of different nature and optimize usual practices. In this regard, spreading such an approach within a context such as compliance facilitates the introduction of technologies that can improve efficiency and ensure timeliness and accuracy in responding to the obligations imposed by regulatory institutions.

3

Corporate-startups collaboration in RegTech: use cases by industry and solutions





STARTUP



MOPSO is a software startup that develops two highly integrated solutions to address compliance with anti-money laundering regulations, Brain and Amlet. Brain is a risk assessment tool that helps banks and financial institutions to find suspicious transactions and high-risk customers by using semantic web technologies. It is able to integrate a great deal of information from internal sources and from OSINT (open-source intelligence). Amlet automates CDD for any FIs that need it, moving from a long, complex and repetitive process to a streamlined machine-assisted one. It checks and verifies personal information, creates a standard to exchange and share it between financial institutions, and relies on decentralized digital identity to store all the data in a safe and secure way. Amlet is on track to be fully compliant with the forthcoming EUDI wallet.

CLIENT



Fully digital bank

CLIENT CHALLENGE



Mitigate the risks linked to the technical limitations of the main IT tools used for determining risk and selecting anomalous transactions in banking and insurance by identifying anomalies, transactions, movements and risk profiles that the software is unable to detect. In addition, investigating criminal activities and risk profiles arising from the COVID-19 pandemic.

SOLUTION AND RESULTS



Introduction of Mopso Brain, a solution dedicated to massive risk assessment of counterparties to specifically analyze business clients. Use of a knowledge graph (mix between a relational database and a hierarchical database) based on the semantic web and introduction of a proprietary ontology (in addition to the standard banking ontology) to enrich the information set and identify relevant information for money laundering risk. Research of risky combinations, geometric analysis and creation of relational graphs for ex-post evaluation. Identification of false positives and new money laundering schemes.

Development of an additional custom solution that interrogates specific attention points through targeted intelligence activity to identify anomaly indicators related to COVID-19.



STARTUP



BANKSEALER

Banksealer has developed artificial intelligence and machine learning algorithms that can identify fraudulent activity. These algorithms can be applied in various contexts, ranging from payments and logins on home banking, a company's liability cycle to warehouse movements. BankSealer is based on a white-box approach that provides analysts with support for their investigative activities through easily interpretable results. The solution is compliant with the new Payment Services Directive (PSD2) and enables full monitoring of all activities.

CLIENT



Leading Engineering company

CLIENT CHALLENGE



Curb security attacks and fight against fraud (such as the diversion of payment to suppliers) in a short time and maintaining the normal conduct of business without any kind of blockade.

SOLUTION AND RESULTS



Implementation of Banksealer in corporate mode to analyze payment information and identify those at risk.

During the first 6 months, 34,000 transactions were checked for a total of 1 billion euros in payments. Of these, 500 were identified as risky and 4 were subsequently blocked.



STARTUP



Aptus.AI has created Daitomic, a Software-as-a-Service solution that integrates cutting-edge Artificial Intelligence technologies with a homogeneous legal standard to make financial regulations machine-readable. Daitomic is automatically updated in real-time, also offering law versioning and comparison, streamlined impact analysis, and regulatory trends recognition. Besides, it supports all the European Union languages thus helping compliance specialists save time for strategic activities and allowing them to make more accurate, faster decisions, in cross-country and cross-regulatory context.

CLIENT



Retail Bank

CLIENT CHALLENGE



Automate the collection, analysis, and tracking of financial regulatory changes, thus speeding up compliance processes by avoiding time-consuming manual work and reducing both operational risks and the possibility of incurring penalties.

SOLUTION AND RESULTS



Introducing Daitomic to retrieve documents made available by regulators in any digital format and transform them into a standard machine-readable format.

Creation of a fully navigable database that: automatically recognizes the regulatory references (both internal and external) contained in the text, extracts the related regulatory requirements, and allows users to set personalized repositories (legal inventories) based on their needs.

Preparation of impact analysis takes into account also internal processes and policies, by matching the regulatory requirements present in the external regulations with those present in the internal regulations, thus helping identify the impacts within the organization and therefore the interventions to be made. Besides, Daitomic can analyze also draft regulations, enabling it to recognize obligations and areas that will be impacted in the future, namely the regulatory trends.



STARTUP



Keepabl's solution has been created as a cloud-native, holistic service to help financial institutions comply with GDPR, by guiding the way and carrying out much of the heavy lifting. The SaaS solution provides instant access to GDPR KPIs and reports with a single click. The accompanying Privacy Policy Pack allows financial institutions to put in place a Privacy Framework extremely rapidly, maintain it easily across offices and jurisdictions, and to quickly report as they need.

CLIENT



Wealth management company

CLIENT CHALLENGE



The privacy governance was managed through spreadsheets and wasn't sustainable. In addition, managing multiple entities was complicated, existing modules were basic, and the system was highly complex.

SOLUTION AND RESULTS



The implementation of Keepabl provided an easy way to record suspected personal data breaches, instant email alerts to the response team for rapid containment and easy capture of necessary information in case notification is required. The supply of these Risk and Breach solutions now enables a quick and efficient management of multiple entities, while viewing and exporting reports instantly.

In addition, Keepabl ensured that the data migration from the client's existing spreadsheets to the new solution was brief and simple. Now, the client can operate with increased security while saving time and effort when working and meeting ongoing GDPR compliance across countries.

STARTUP



Theta Lake uses the latest AI and Natural Language Processing (NLP) technologies to find compliance risks in audio and video content. The solution natively integrates with leading unified communications (UC) platforms (Cisco Webex, Microsoft Teams, RingCentral, Zoom, Slack, Bluejeans, Red Box) to analyze audio, visual, and text-based content. This results in a comprehensive detection of regulatory, corporate compliance, conduct, and data leakage risks on all type of content produced during collaboration sessions.

CLIENT



Financial institution

CLIENT CHALLENGE



According to MiFID II, all transaction related calls need to be recorded, preserved and supervised. The client's existing approach entailed the recording and archiving of calls with a legacy communication solution that didn't help in gaining insights and intelligence from the conversations.

Rather than relying on technology, processes were handled manually, systems were siloed, and complying to regulations heavily impacted all other activities. To identify risks, staff needed to manually review content and highlight those risks identified as problematic. In addition, reviewing all calls was a heavy and costly undertaking due to the large volume of daily calls. As a result, the team could only review a narrow sample, exposing the institution to significant risks.

SOLUTION AND RESULTS



The client implemented Theta Lake's Risk and Compliance Suite to integrate with its current communication platform RingCentral with the objective handle all

forms of modern collaboration in order to comply with MiFID II call recording requirements. Through the Risk and Compliance Suite, the client was able to ingest video, audio, and chat content and automatically analyses all of the digital content to detect regulatory, privacy, conduct, and security risks in what is said, shown, and shared.

After implementing and integrating the Risk and Compliance Suite with RingCentral, the institution was able to immediately start including both audio and video recorded calls into the Theta Lake Suite for automatic analysis. As a result, the compliance team could directly manage and oversee all calls, not just a sampling. As Theta Lake quantifies each voice and video call with a risk score (calculated based on a few parameters), reviewers were also able to rapidly prioritize calls for instant remediation. In addition, the reviewer was able to identify the precise time in which risky behaviour was found, which eliminated the need to listen to the complete conversation in order to find the risk. With Theta Lake, the client can now proactively have each and every call reviewed, rated, and flagged for potential compliance issues and avoid the high cost of non-compliance.

STARTUP



FacePhi is a biometric solution for identity verification, specialized in facial recognition systems, digital onboarding and safe work environments. It provides 5 sub-solutions: Selphi: a facial biometric solution using a selfie to access accounts and approve transactions. SelphiD: a digital onboarding solution with real-time OCR and facial animation checks. Look&Phi: a solution using eye biometrics to grant access or approve transactions with a look.

PhiVox: a voice-based biometric solution to for access or authentication of users in a call center. SignPhi: electronic signature suite in the cloud with multi-device and multi-signatory features.

CLIENT



Banca Retail

CLIENT CHALLENGE



In the context of its digital ambitions, the bank was looking to implement an identity verification system to be used during the digital onboarding of new customers as well as when authenticating existing ones, while adhering to Know-Your-Customer requirements.

SOLUTION AND RESULTS



The implementation of FacePhi facilitated the creation of new accounts and acquisition of new financial products online through their digital onboarding system. It allowed users to comfortably and securely confirm their identity from their mobile device by simply taking a selfie and uploading a picture of their national identity document. In addition, customers were able to seamlessly and quickly access their account and executing transactions through facial recognition. As a result, the bank saved considerable time and costs in complying with Know-Your-Customer regulations in addition to increasing security, reducing the risk of non-compliance and providing a better customer experience.

4

The importance of Open Innovation in the RegTech field

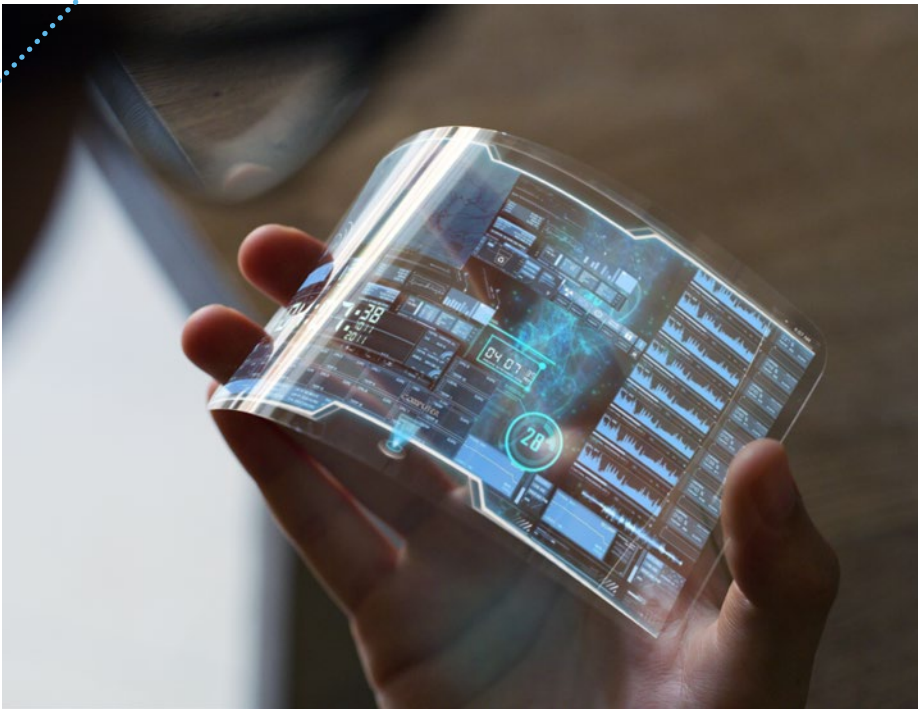
How compliance cost and risk management spending could be reduced thanks to the technology

RegTech companies offer valid solutions for dealing with many of the regulatory and compliance issues mentioned in the previous sections of the paper, by granting organizations quick results, thanks to the innovativeness and agility of the solutions accomplished. However, if not properly implemented, RegTech solutions could represent a variety of risks both for the organizations and the Supervisory Authorities (i.e., those risks faced when supervising markets and firms using RegTech solutions).

Identification of potential risks

As stated, there are several risks related to relationships with RegTech companies that could impact – directly or indirectly – organizations. Most of them are relevant for the Authority as well, as the Regulator asks to demonstrate how those risks are managed, for instance by questioning the feasibility of employing certain RegTech companies to meet legal or regulatory requirements.

These specific risks are, most of the times, not restricted to a limited area (e.g., Third Party Risk), but potentially affecting the whole organization, compromising enterprise continuity.



- Level of customization;
- Level of trust by Regulators;
- Area of coverage (e.g. AML, Compliance, Risk Management solution);
- User Experience.

RegTech Compatibility

Evaluating the level of "coherence" of analyzed solutions with respect to the specific needs of the organization. The analysis is carried out through the design of a checklist, drawn according to the requirements defined in the assessment.

The overall scores, given by the aggregation of the two dimensions analyzed, is displayed in a specific Compatibility-Soundness matrix which allow a multidimensional evaluation of RegTech companies.

In conclusion, it is possible to state that the analysis is primarily based on the comprehension of all challenges faced

Here following are represented the main risks which organizations should consider before engaging with RegTech companies:

- **Compliance Risk:** risk that the reliance on RegTech solutions could not support organizations in complying with the applicable legal and regulatory framework (e.g., the RegTech solution does not provide the expected performance);
- **Concentration Risk:** risk that the reliance on certain RegTech companies could lead to the rise of dependency on that (non-regulated) supplier, whose potential failure could determine system-wide implications;
- **Business Continuity Risk:** risk that the disruption or failure of the RegTech company or solution could affect the continuity of services, impacting the confidentiality, integrity and availability of data;
- **Technology and Personal Data Protection Risk:** risk related to the location of suppliers' servers and data storage when dealing with cloud based RegTech solutions;

- **Reputational Risk:** risk related to the organization reputational profile, in case of strong dependency on a RegTech company that does not provide the expected quality of service. This situation could lead to stakeholders' dissatisfaction or lack of confidence;

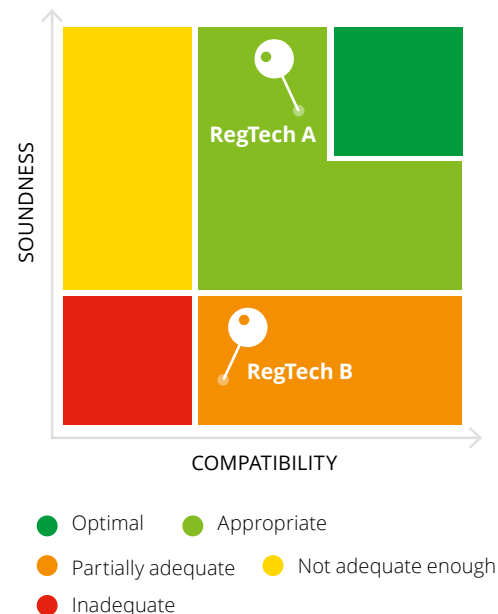
Dealing with risks: Deloitte methodology

In order to manage the above-identified risks related to organizations' engagement with RegTech companies, Deloitte has developed a proprietary model which consists in a two-level analysis finalized to assess and select the most appropriate RegTech supplier by considering the following dimensions:

RegTech Soundness

Evaluating the quality of solutions on the market, by the analysis of the following key aspects:

- Characteristics of the technology used;
- Possibility/agility of integration into the company's systems;



by the organizations and the subsequent development of an integrated plan aiming to overcome these challenges.

5

Conclusion

We saw in the previous chapters how the **increased complexity of procedures and controls** challenges all types of organizations, with most impact in **highly regulated industries** as for example Telco, Pharma, Energy, Banking, and Insurance.

In this context, **innovative solutions and news technologies** can offer a valid, tangible solution to support the organizations in dealing with the increased complexity. This is proven also by the global **RegTech market size** and growth forecast in the upcoming years¹⁰.

Within this space, Deloitte has detected some use **cases of collaboration** of partnerships between startups or scaleups and organizations that adopt cutting-edge technologies and methodologies such as **Analytics, Machine Learning and Artificial Intelligence (AI)** to solve variety of issues across sectors.

Although, when it comes to innovation and the relationship between innovation and risk, these two seem to go hand in hand.

Every innovation faces a lot of risk throughout the whole process. And this is particularly true in the RegTech field, where risks can be present both for organizations and Supervisory Authorities.

Therefore, it is important to **carefully assess the risks**, before adopting a new technology, and at the same time to **adopt a structured approach** that can guide the organization in each step of the **Open Innovation process**: clearly defining strategic priorities and guiding objectives, gradually opening up to the innovation ecosystem, scouting the most fitting solutions by attentively screening and evaluating options, and implement new solution using a pilot approach - starting from MVP (Minimum Viable Product) and uses cases to test the solution and its impact, and gradually scale the solution to the organizations.

A **structured and guided approach** can be the key to successfully leverage on the opportunities of new technologies, while avoiding risks.

¹⁰ [RegTech Market worth \\$19.5 billion by 2026 - Exclusive Report by MarketsandMarkets™ - Bloomberg](#)

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OFFICINE INNOVAZIONE S.R.L. S.B.

Officine Innovazione S.r.l. S.B. is a company in the Italian Deloitte network that promotes the culture of innovation and provides innovation development and management services to client companies. It operates within and for the Deloitte network thanks to both established and new partnerships with the aim of driving the evolution of the business community in Italy in a broader logic of Technology Transfer and Open Innovation, integrating at 360° the world of startups, universities and research centers. The birth of Officine Innovazione S.r.l. represents Deloitte's response to the continuous changes in the market and the needs of its clients operating in increasingly dynamic contexts. In fact, Officine Innovazione S.r.l. inherits its name from a successful corporate initiative that in recent years has brought together different and specific skills in innovation present within the company to promote the culture of innovation, generate disruptive ideas and study new technological trends.

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DELOITTE RISK ADVISORY S.R.L. S.B.

Deloitte Risk Advisory S.r.l. S.B. is the company of the Deloitte Italy network that offers Governance, Regulatory Risk, Financial Risk, Strategic and Cyber Risk, Internal Controls services.

In Risk & Regulatory field, Deloitte Risk Advisory offers innovative solutions and advisory services for the strategic management of end-to-end transformation processes related to the evolution of the regulatory and supervisory environment. In this context, Deloitte Risk Advisory has created a centre of excellence (Deloitte Centre for Regulatory Strategy) with the aim of monitoring and studying regulatory discontinuities and related impacts on the customers business model, supporting the latter in the strategic management of regulatory change management processes. The professional team is also responsible for monitoring the ecosystem of technological solutions (RegTech) to support regulatory change management processes identifying innovative and distinctive solutions to be integrated in Deloitte's overall regulatory offering.

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The Garage brings fresh thinking, new approaches, and innovative technologies to drive growth and innovation. We use new ways of working and technology to rapidly create and test ideas and to transform businesses. We help our clients on their innovation journey from defining their ambitions, and setting strategy, developing ideas, and making them come alive, to building and scaling your capabilities and innovation system to make disruptive innovation part of the DNA. The Garage is different, because of how we engage with our clients: we operate hand-in-hand in an iterative manner and bring collaboration to the next level through working rapidly on actionable outputs with the help of cross-industry experts.

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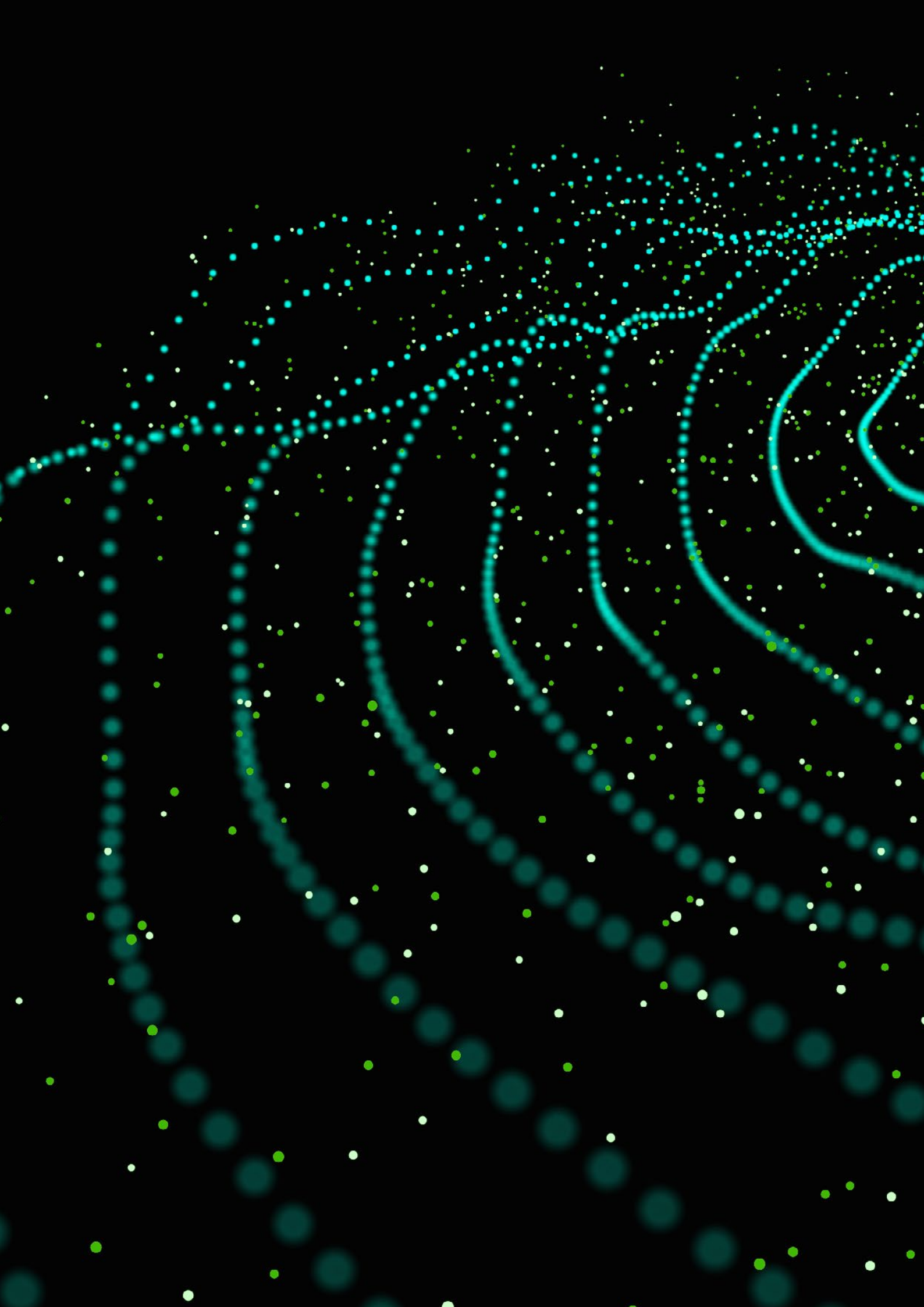
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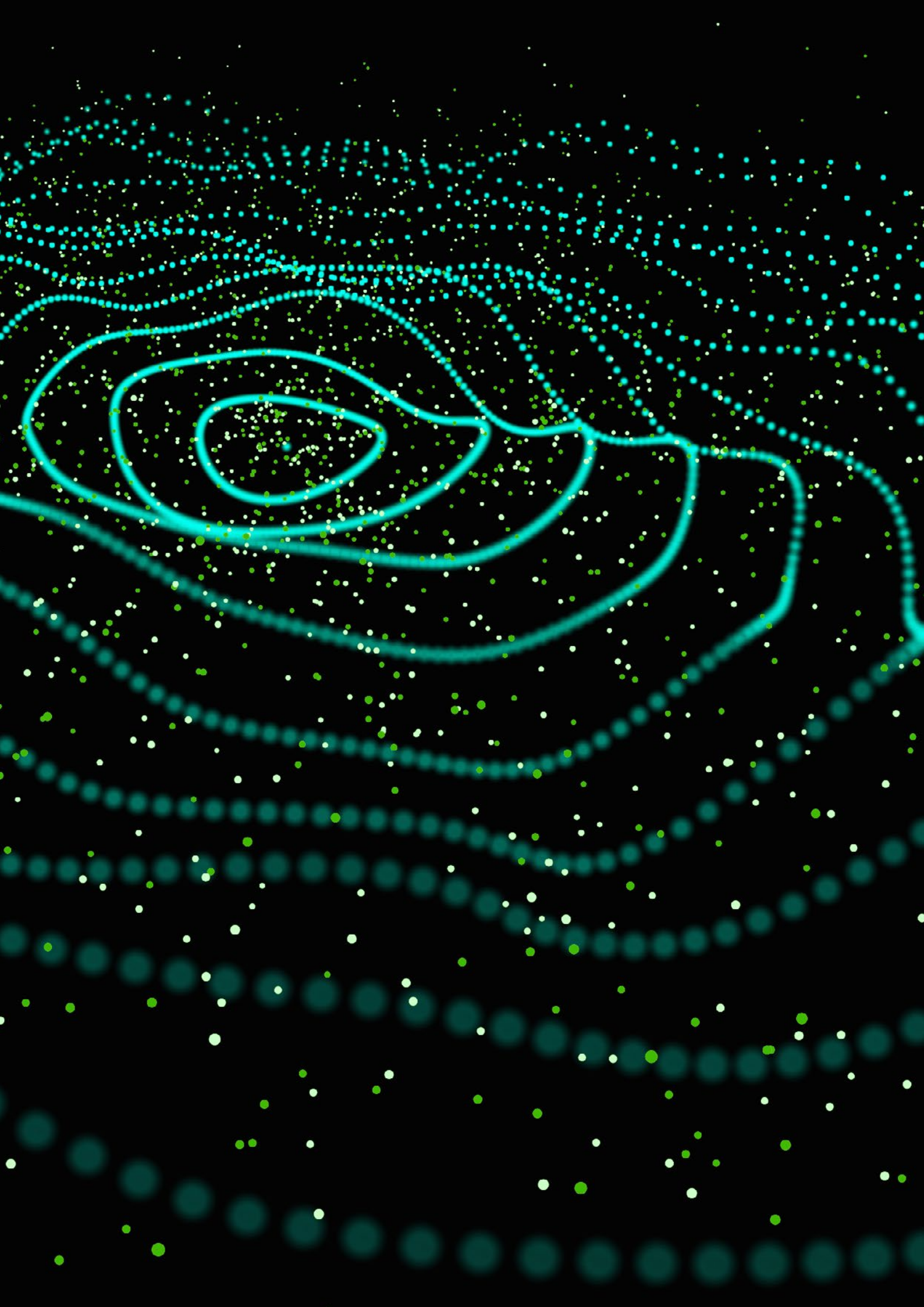
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